



## **MEDIA RELEASE**

# **MSM FULL-YEAR PROFIT HITS RECORD BREAKING RM378 MILLION**

- *FY 2015 PBT, PAT and revenue best performance in company's 51-year history*
- *Q4 revenue grew by 5.7% to RM663.97 million; full-year revenue rose to RM2.31 billion*
- *Record profits achieved on strong sales and strategic hedging*

**DUBAI, UNITED ARAB EMIRATES, February 23, 2016** – MSM Malaysia Holdings Berhad (MSM), the largest refined sugar producer in Malaysia and a subsidiary of Felda Global Ventures Holdings Berhad (FGV), announced a record breaking full-year profit driven by company-wide strong sales and strategic hedging mechanism.

Profit before tax (PBT) hit a record RM378 million in the financial year ended 31 December 2015, compared with previous year of RM344 million, representing an impressive 10% increase whilst profit after tax (PAT) recorded RM281 million compared to RM257 million previous year.

Revenue continued to grow by 5.7% to RM663.97 million, compared with RM628.07 million in the previous quarter last year. Full-year revenue recorded strong growth of RM2.31 billion, compared to the same period last year of RM2.28 billion, a steady 1.1% increase.

PBT for Q4 improved from RM84.5 million to RM97.2 million, gaining 15% compared to the previous quarter.

MSM also recorded a significant 13% increase in operational profit from RM335.1 million to RM377.3 million in 2015.

MSM continues to gain control of its 64% domestic market share albeit the challenging dynamics of the sugar industry, in particular the strengthening of the USD currency and volatility of the forex market.



“We have delivered an impressive set of earnings, despite currency and commodity challenges. It is our solid financial policy characterised by a strategic Forex and raw sugar hedging mechanism which has helped us navigate through many uncertainties this past six months and we hope to maintain this in 2016,” said MSM’s President and Group Chief Executive Officer, Dato’ Sheikh Awab Sheikh Abod.

Sheikh Awab added, “As the world sugar market continues to trend lower, we have managed to achieve a robust performance and further contributed to the group-wide cost optimisation initiatives. This has enabled us to focus on a strong operational management and remain resilient. We emphasise our commitment to enhance our shareholders value and maximise revenues for our businesses.”

“In addition, there have been positive indications of a greater demand in the market, and we are well positioned to respond by increasing production and selling from available stocks.”

He explained further that moving forward, MSM intends to strengthen its market and customer focus. This will allow the company to pursue growth in its core business and expand its geographical footprint. Sugar-hungry regional markets and fast-growing countries for synergetic joint ventures or partnerships are also part of the plans to shift the Company from a regional player to a global player.

Yesterday, MSM established its foothold in Dubai, United Arab Emirates as the Company launched its sugar trading arm, MSM Trading International DMCC (MSM Dubai). The ceremony was jointly officiated by The Honourable, Tan Sri Hj Mohd Isa bin Dato Hj Abdul Samad, Chairman of MSM Malaysia Holdings Berhad and our guest of honour, His Excellency, Dato’ Ahmad Anwar Adnan, Malaysian Ambassador to United Arab Emirates.

The Board Members of MSM Group, customers and partners from different parts of the world were also present at the special occasion.

The outfit is set to support and cater for the huge potential and opportunities in the Middle East & North Africa (MENA) market, as the Company rapidly expands its business in the region. It will be supported by a representative office located in Jakarta, Indonesia to better position and support clients on inbound and outbound transactions across the region and act as gateways to other markets across the APAC region.

Embargo until 5:00PM Malaysian time, Wednesday 23 February 2016



Another milestone for MSM is scheduled in late March as its USD\$259 million investment for the construction of Malaysia's largest standalone sugar refinery in Tanjung Langsat, Johor will reach out and provide better accessibility to its customers.

The refinery which is targeted for full commissioning by late quarter of 2017, will ramp up the total group annual production capacity of up to 2.25 million MT. Additionally, this translates to competitive pricing on end products and provides an avenue for MSM to foray into neighbouring countries, further strengthen MSM's domestic market share and transform Malaysia into a regional hub for high quality refined sugar.

With the right foundation entering 2016 and tailwinds of greater consumer demand for the "Gula Prai" brand, MSM remains optimistic and expects performance of its sugar and trading business to be satisfactory this year.

**-ENDS-**

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#### **About MSM Malaysia Holdings Berhad (MSM)**

MSM Malaysia Holdings Berhad (MSM), incorporated on 10 March 2011, is Malaysia's leading sugar producer. It was listed on the Main Market of Bursa Malaysia Securities Berhad on 28 June 2011 and is one of the top 60 companies listed on Bursa Malaysia with a market capitalization of RM 3.5 billion (as at 2014).

Principally, MSM operates the sugar business of Felda Global Ventures Holdings Berhad (FGV). MSM produces, markets and sells refined sugar products. The company conducts its business principally through two operating subsidiaries, MSM Prai Berhad (*formerly known as Malayan Sugar Manufacturing Company Bhd.*) and MSM Perlis Sdn. Bhd. (*formerly known as Kilang Gula Felda Perlis Sdn. Bhd.*) which were established in 1959 and 1971 respectively. Additionally, MSM also operates its own logistics company – MSM Logistics Sdn. Bhd. Through its subsidiaries, MSM has an impressive combined annual production capacity of 1.1 million tonnes of refined sugar. In 2014, MSM produced 986,115 tonnes of refined sugar, approximately 64% of the domestic market share.

The company offers a variety of products ranging from white refined sugar of various grain sizes to soft brown sugar. These are marketed and sold in a variety of packaging options under its flagship brand - "Gula Prai". The company also sells molasses, a by-product of the refining process, to distilleries and producers of ethanol, animal feed and yeast, among other products. MSM sells to a wide range of customers in Malaysia and in other countries directly and indirectly through traders, wholesalers and distributors. Its customers include major companies in the beverage and confectionery industries, pharmaceuticals, hotels, restaurants, food outlets and household consumers.

For more information, please visit [www.msmsugar.com](http://www.msmsugar.com)